

# Economic



## Traceability & Supply Chain Management

### Why It Matters

By adopting responsible and sustainable sourcing practices, we pursue our business objectives while minimising environmental impacts and promoting equitable outcomes for local communities.

This approach creates lasting value for the environment, supports the communities we serve and meets the expectations of our stakeholders.

### OUR APPROACH

#### Ensuring Traceability & Compliance in Our Palm Oil Mills

We prioritise complete traceability across the FFB production cycle, from planting seedlings to harvesting and transporting fruit. At our palm oil mills, CPO and PK are tracked through every stage of production, including FFB receipt, mill processing, transportation and delivery. This rigorous monitoring ensures full compliance with the MSPO MS2530-4-1:2022 Palm Oil Mill Including Supply Chain Requirements, which is renewed every five years for all our facilities.

#### Advancing Fair & Sustainable Sourcing Principles

Fairness, transparency and sustainability are the cornerstones of our procurement approach. All suppliers – including those in our Vendor Development Initiative (“VDI”) – are assessed objectively and treated equitably.

The Procurement Department oversees supplier selection using clearly defined criteria, covering capabilities, resources, and the quality and suitability of materials. Strong internal controls, including Tender Committee approvals and defined authority limits, safeguard impartiality throughout the process.

Sustainability is integrated at every stage, from pre-qualification and supplier registration to annual performance reviews. Suppliers, both new and existing, are expected to meet our established sustainability standards, covering ethical conduct, health and safety, environmental stewardship and human rights.

### OUR PERFORMANCE

In FY2025, we further strengthened responsible sourcing by conducting detailed sustainability assessments for our suppliers, with 0.5% of major vendors evaluated on key environmental and social criteria.

#### Procurement Assessments

Item	2023	2024	2025
Percentage of suppliers screened using environmental criteria (%)	3	0.7	0.5
Number of suppliers assessed for environmental impacts	51	13	10
Percentage of suppliers screened using social criteria (%)	3	0.7	0.5
Number of suppliers assessed for social impacts	51	13	10